



# Health Reform Implementation in WA State - Medicaid Expansion

Drug Utilization Review Board

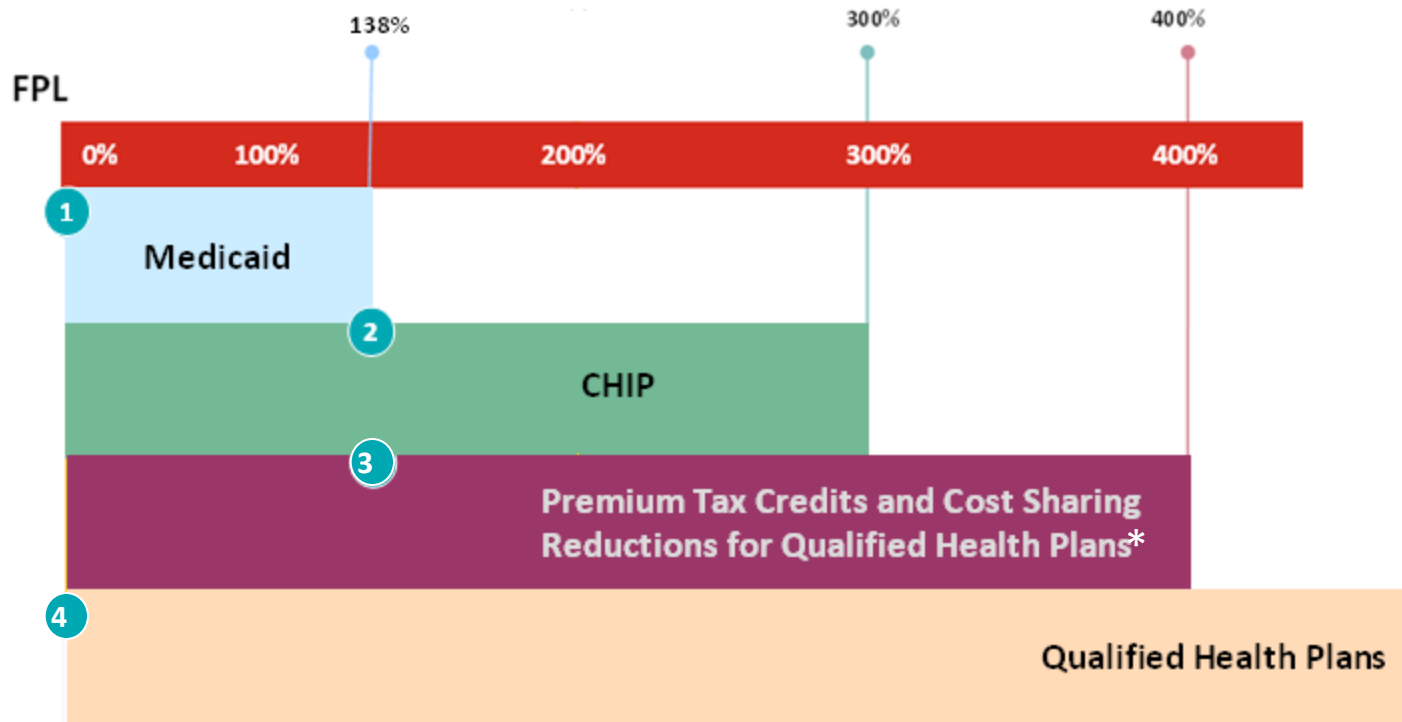
December 19, 2012

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# Medicaid Expansion Goals

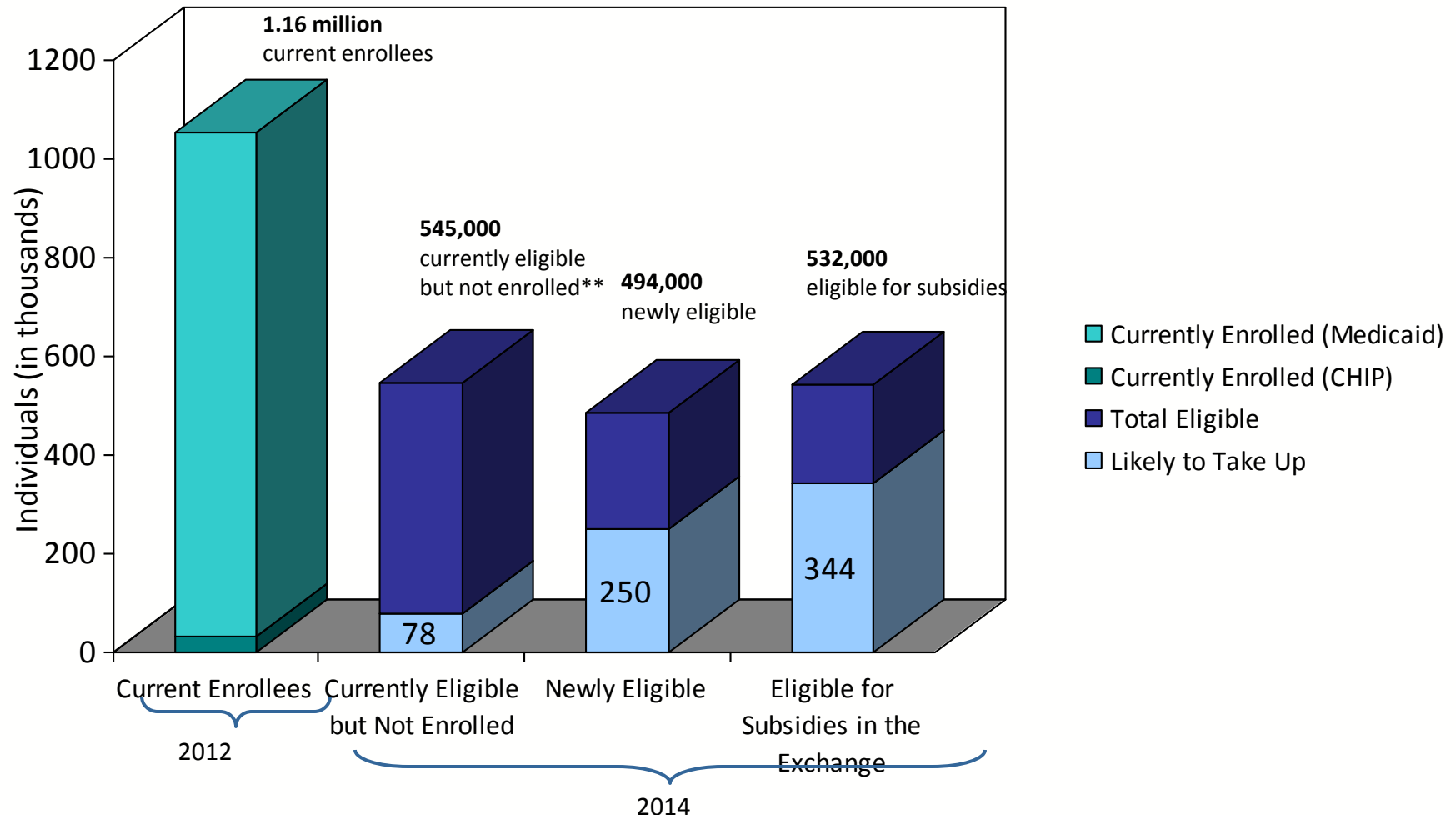
- **Optimize** opportunities to streamline administrative processes
- **Leverage** new federal financing opportunities to ensure the Medicaid expansion is sustainable
- **Maximize** use of technology to create consumer-friendly application/enrollment/renewal experience
- **Maximize** continuity of coverage & care as individuals move between subsidized coverage options
- **Reform** the Washington way --- comply with, or seek waiver from, specific ACA requirements related to coverage and eligibility, as needs are identified

# 2014 ACA Continuum of “Insurance Affordability Programs”



\* Federal Basic Health Plan Option for individuals with incomes between 138% and 200% of the FPL will not be available in 2014.

# Post Implementation of the ACA: Subsidized Coverage Landscape in Washington



Note: Analysis forecast assumes full take up rate and the ACA was in effect in 2011. \*\*Includes individuals who have access to other coverage (e.g., employer sponsored insurance). Sources: The ACA Medicaid Expansion in Washington, Health Policy Center, Urban Institute (May 2012); The ACA Basic Health Program in Washington State, Health Policy Center, Urban Institute (May 2012); Milliman Market Analysis; and Washington Health Care Authority for Medicaid/CHIP enrollment.

# Costs of Not Expanding Medicaid



## **Consumers**

Individuals whose incomes are too high for Medicaid but too low for Premium Tax Credits (less than 100% of the FPL) will have no coverage options and NO tax subsidies for purchasing health insurance

## **Providers**

Hospitals will face not only the continued costs of providing uncompensated care, but also a reduction in federal disproportionate share hospital (DSH) funding



## **Employers**

Employers will face new coverage obligations for individuals with incomes between 100% and 138% of the FPL; additionally, large employers (> 50 employees) will face a penalty if full-time employees in this income bracket obtain a premium tax credit through the Exchange

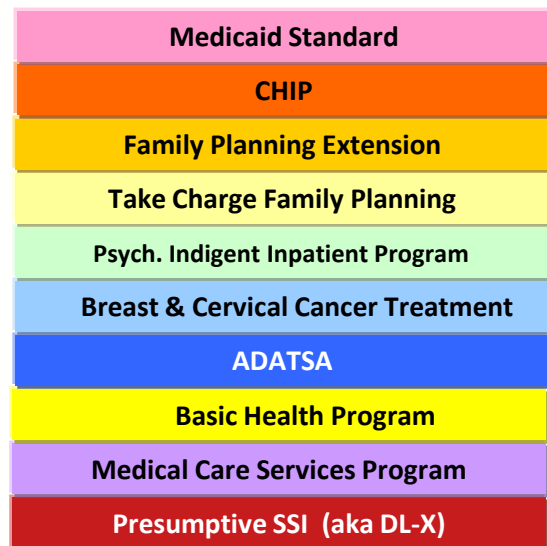


## **Exchange**

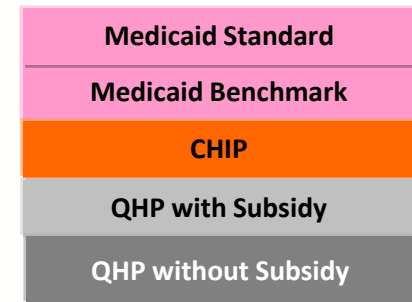
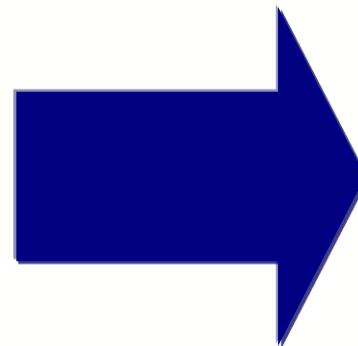
Interfacing between State Medicaid programs and the Exchange will become very complex administratively, with many “hand-offs” and eligibility determinations conducted against a patchwork of existing state Medicaid categories with variable income levels



# ACA Opportunity to Streamline Programs



2014 Coverage Continuum through Insurance Affordability Programs



Streamlining considerations – numbers affected, access/continuity of coverage through IAP continuum, administrative complexity, transition timing

# More Information

- Ongoing webinars & presentations around the state
  - See upcoming schedule & past events at:  
<http://www.hca.wa.gov/hcr/me/stakeholdering.html>
- Listserv notification
  - To automatically receive information and stakeholdering notices subscribe at:  
<http://listserv.wa.gov/cgi-bin/wa?SUBED1=HCA-STAKEHOLDERS&A=1>
- Main HCA web-site: <http://www.hca.wa.gov/>
  - For information about the Medicaid expansion:  
<http://www.hca.wa.gov/hcr/me>
  - To contact us on the Medicaid expansion:  
[medicaidexpansion2014@hca.wa.gov](mailto:medicaidexpansion2014@hca.wa.gov)